

3 AAC 46.500. Integrated resource planning. (was 3 AAC 50.990)

(a) A petition for a new or revised integrated resource plan must be transmitted to the commission under a consecutively numbered cover letter designated as "Electric Reliability Organization Petition Letter No. 1, 2, 3, etc.", identified in the commission's records with the prefix "EP". The petition must include:

(1) a summary description of the balance of projected load and available resources expected to meet that load, including planned plant retirements, for each year of the integrated resource plan planning horizon;

(2) a summary explaining the criteria by which cost-effective means of meeting service requirements were determined;

(3) a summary of the proposed action plan to implement the integrated resource plan;

(4) a description of stake holder involvement and public process in accordance with the criteria in (e) of this section;

(5) a description, and explanation of the integrated resource plan's consistency with (b)(4) and (5) of this section, and the models and associated model inputs used to generate demand forecasts or projections;

(6) a summary of the electric reliability organization's preferred resource options from the range identified in (b)(3) of this section;

(7) a summary of substantial deviations from a previous plan, if applicable, including deviations in previously anticipated demand;

(8) the date the copy of the proposed integrated resource plan was provided to the user, owners, and operators under (e)(1) of this section;

(9) a description and analysis of the risks to ratepayers, with reference to the greatest value criteria and considerations described in (b)(6) and (b)(4) of this section, considered in the integrated resource plan, including

(A) a description and justification of any other considerations proposed by the electric reliability organization as described in (b)(16)(GD) of this section;

(10) an explanation for why the preferred resource portfolio was selected among other identified resource portfolios;

(11) — as provided for under 3 AAC 48.153, prefiled direct testimony in support of the information filed under this subsection, together with a list of the witnesses filing testimony; and

(12)(11) The integrated resource plan, the form of which is described in (eb) of this section.

(b) Under AS 42.05.780, an electric reliability organization shall submit a proposed integrated resource plan to the commission. The integrated resource plan must address a forecast period of not less than 20 calendar years from the date of filing and must include portfolios, including a preferred portfolio, each of which must comply with the electric reliability organization's reliability standards as well as the electric reliability organization's certificate requirements. The integrated resource plan must contain the following:

(1) An executive summary that provides:

(A) the goals and objectives of the integrated resource plan;

- (B) a summary of the integrated resource plan process and approach;
- (2) A description and explanation of the planning environment used in preparing the integrated resource plan that includes:
- (A) the layout of the interconnected bulk-electric system, including generation, storage, transmission, and system control assets;
- (B) a discussion of how the integrated resource plan has considered:
- (i) all municipal, tribal, state and federal mandates, directives, and policies governing resources included in the integrated resource plan;
- (ii) practical difficulties the electric reliability organization foresees in conforming to the commission-approved reliability standards;
- (iii) known or reasonably estimated constraints on the availability or price of generation fuel sources; and
- (iv) the effect of the planning environment on reliability and cost of power;
- (C) the primary planning assumptions that were incorporated in the plan; and
- (D) identification of any exemptions from municipal planning decisions under AS 42.05.641 required to implement the integrated resource plan and an explanation of why such exemption cannot be avoided.
- (3) A discussion, including an analysis and technical assessment, of the full range of resource options evaluated in the development of the resource portfolios that meet projected or existing unmet needs within the interconnected bulk-electric system.
- (A) Resource options that must be considered include those specified in AS 42.05.780(a), projected retirements, and may include:
- (i) customer voluntary interruptible programs;
- (ii) distributed energy resources;
- (iii) market purchases; and
- (iv) other resource options identified by the electric reliability organization.
- (B) the analysis of these resource options must describe and support the following elements:
- (i) model input assumptions;
- (ii) models and techniques used;
- (iii) model sensitivities and scenarios considered;
- (iv) the resource option's availability, reliability, and cost;
- and
- (v) the applicable time horizon.
- (C) A resource option is considered cost-effected in delivering a given quantum of service if it meets a criterion or criteria in (56) of this paragraph at minimum expected cost considering the risks specified in (4)(A)(i) and (ii) of this paragraph, and other risks proposed by the electric reliability organization.

(4) A presentation and analysis of at least ~~three~~two resource portfolios that each satisfy a criterion, or joint criteria, in ~~(56)~~ of this paragraph at lowest reasonable cost, consistent with each load-serving entity's obligations.

(A) A resource portfolio satisfies a criteria or criterion in ~~(56)~~ of this paragraph at lowest reasonable cost if it is shown, through detailed and consistent analysis, to minimize the expected cost of its mix of resource options given due consideration of:

- (i) market risks affecting resource option costs;
- (ii) risks associated with the ability of applicable resource options, either collectively or individually, to provide service when needed;
- (iii) effects on system operation;
- (iv) public policies regarding resource preference adopted by the state or federal government; and
- (v) environmental effects.

(B) The resource portfolio analysis must describe and support the resource portfolio modeling relied upon, including:

- (i) input assumptions;
- (ii) models and techniques; and
- (iii) sensitivities and scenarios.

~~(5)~~ An ~~analysis~~explanation of why the preferred portfolio, chosen from among the resource portfolios described in (4) of this paragraph, provides greatest value.

~~(5)(6)~~ Criteria for determining greatest value include:

- (A) the satisfaction of each load-serving entity's customers' needs;
- (B) an increase in interconnected bulk electric system reliability or resiliency;

~~(C)~~ the public interest;

~~(D)~~(C) environmental costs or benefits; and

~~(E)~~(D) other considerations proposed by the electric reliability organization.

~~(6)(7)~~ Except as provided in (5) of this paragraph, an integrated resource plan must provide a demand forecast using a uniform demand forecasting methodology for all load-serving entities in the interconnected bulk-electrical system when estimating future demand.

~~(7)(8)~~ An integrated resource plan may provide a demand forecast using multiple demand forecasting methodologies for the load-serving entities in the interconnected bulk electric system when estimating future demand if:

- (A) multiple methods are needed to properly estimate future demand;
- (B) the integrated resource plan explains why a uniform forecasting methodology cannot most reasonably estimate future demand; and
- (C) the integrated resource plan identifies the multiple forecasting methods used and explains the differences in how each method forecasts load.

~~(8)(9)~~ An integrated resource plan must reflect a planning area that:

- (A) includes the entirety of the interconnected bulk-electric system;

(B) identifies resource options, resource portfolios, and, as applicable, specific projects or project portfolios without regard to service territory boundaries within the interconnected bulk-electric system, while satisfying each load-serving entity's obligations; and

(C) excepting resources that a load-serving entity must acquire under federal law, includes only those specific and defined large energy projects that have been sized to ensure that available economies of scale have been reasonably maximized in light of projected demand.

~~(9)~~(10) An action plan for the electric reliability organization, which provides a non-binding framework for implementing the preferred resource portfolio and must include:

(A) a process for determining the entities that will be involved in the procurement;

(B) a process for ensuring the means of satisfying needs are accomplished at lowest reasonable cost;

(C) a process by which load-serving entities of the interconnected bulk electric system determine how they will apportion cost responsibility for the measures that satisfy the needs identified in the integrated resource plan; and

(D) a schedule of key activities and timelines.

~~(10)~~(11) A narrative and quantitative discussion of how the integrated resource plan provides the greatest value, consistent with load-serving entities' obligations and the public interest, including an explanation of how ~~the any applicable criteria~~ for greatest value ~~provided in (b)(46)~~ of this section ~~was were~~ assessed and considered.

(c) The commission must approve, reject, or suspend an integrated resource plan filed under an electric reliability organization petition letter within 45 days of receipt.

(1) If an integrated resource plan is approved, the commission will issue a substantive order to that effect within the 45-day timeline.

(2) If an integrated resource plan is rejected for failure to meet the form and filing requirements of (a) and (b) of this section, the letter order returning the filing will identify the specific deficiencies in the initial filing and the timeline in which the integrated resource plan and petition must be refiled. An integrated resource plan that is rejected by the commission is void.

(3) If an integrated resource plan is suspended for further investigation, the commission shall issue its final order within 180 days of receiving the complete petition for approval of an integrated resource plan.

(d) An electric reliability organization shall submit an updated plan in accordance with (a) of this section at least every three years after the filing of its initial integrated resource plan and a new demand forecast at least every two years after the filing of its initial integrated resource plan. The commission may, at any time, require an electric reliability organization to file a new integrated resource plan if the commission determines such a filing is in the public interest.

(e) to ensure that it meets the requirements of AS 42.05.762(3)(D), an electric reliability organization must:

(1) Not later than 14 calendar days before filing an integrated resource plan with the commission, an electric reliability organization shall [SAG(1)]

(A) electronically notify each user^[SAG(2)], owner, and operator of its intent to file an integrated resource plan and include the location of the integrated resource plan and public work papers; and

(B) publish a notice of its intent to file an integrated resource plan and make a text-searchable copy of the integrated resource plan available for download.^[SAG(3)]

(2) Not later than five business days after the filing of a complete integrated resource plan, the commission will arrange for publication of a public notice with a newspaper of general circulation in the interconnected bulk-electric system. The commission will also publish the public notice on the commission's website and the Alaska Online Public Notice website. The deadline for the public comment period is 14 calendar days from the date of the public notice.

(f) An interested person may file with the commission comments or a protest of the petition and integrated resource plan according to the requirements of 3 AAC 48.100 before the close of the comment period. A protest must include: specific grounds for the protest, the steps the petitioner may take to mitigate the protest, the conditions the commission should consider applying to the integrated resource plan, and a petition to intervene.

(g) A petitioner wishing to file a response to the protest shall file that response with the commission not later than 10 calendar days after the close of the comment period.

~~(h) The integrated resource plan demonstrates greatest value when its preferred resource portfolio meets the reliability needs of all consumers through compliance with approved reliability standards at lowest reasonable costs, while at the same time enabling each load-serving entity to meet its obligations. A resource portfolio provides greatest value when it minimizes ratepayer costs while meeting the collective needs of consumers, enables each load-serving entity to meet its obligations, complies with applicable public policy, laws, regulations, while balancing the need to minimize ratepayer risk against lowest reasonable costs for that option.~~

~~(1) Criteria for determining whether a resource portfolio provides the greatest value include:~~

- ~~(A) the satisfaction of each load-serving entity's obligations;~~
- ~~(B) the satisfaction of each load-serving entity's customers' needs;~~
- ~~(C) an increase in interconnected bulk-electric system reliability or resiliency;~~
- ~~(D) the public interest;~~
- ~~(E) environmental costs or benefits; and~~
- ~~(F) other considerations proposed by the electric reliability organization for the commission's consideration.~~

~~(2) A resource option is considered cost-effective in delivering a given quantum of service if it meets a criterion or criteria on the list in (i)(1) of this section at minimum expected cost considering, among others, the risks in (i)(3)(A) and (B) of this section.~~

~~(3) A resource portfolio satisfies a criteria or criterion in (i)(1) of this section at the lowest reasonable cost if it is shown, through detailed and consistent~~

analysis, to minimize the expected cost of its mix of generating, conservation, and efficiency resources. The analysis must consider:

(A) — risks associated with market volatility of the cost components of its resource options;

(B) — risks associated with the ability of its resource options, either collectively or individually, to provide service when needed;

(C) — effects on system operation;

(D) — public policies regarding resource preference adopted by the state or federal government; and

(E) — environmental effects.

~~(f)~~(h) The order returning an integrated resource plan to the electric reliability organization for modification must specify the returned plan's regulatory, ~~and~~ statutory, ~~or other~~ deficiencies.

Authority: AS 42.05.141
AS 42.05.151

AS 42.05.762
AS 42.05.780